
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
Wednesday, October 22, 2008**

A meeting of the Board of Administration was held on Wednesday, October 22, 2008, 333 Madonna Road, San Luis Obispo California.

The meeting was called to order at 9:10 a.m. by Board President Rob Feckner.

The Secretary called the roll and the following Board members were present:

Rob Feckner, President
Marjorie Berte
Terry McGuire representing John Chiang
George Diehr
Debbie Endsley representing David Gilb
Henry Jones
Tricia Wynne representing Bill Lockyer
Priya Mathur
Lou Moret
Tony Oliveira
Anne Sheehan
Kurato Shimada
Charles Valdes

AGENDA ITEM 3 – APPROVAL OF THE SEPTEMBER 17, 2008 MEETING MINUTES

ON MOTION by Anne Sheehan, **SECONDED** and **CARRIED**, the Board approved the September Board minutes.

AGENDA ITEM 4 – INTERIM CHIEF INVESTMENT OFFICER'S REPORT

Anne Stausboll, Interim Chief Investment Officer, presented this report to the Board.

For the fiscal year as of to that date, August 31, the total fund return was negative 2.1 percent, and as of the close of business on Monday, October 20th, it was \$192.7 billion.

AGENDA ITEM 5 – INVESTMENT COMMITTEE

George Diehr, Chair, Investment Committee, presented the Committee Summary report (attached) to the Board. The Committee met on Monday, October 20, 2008.

Additional information may be found in the October 20, 2008 Agenda materials and/or transcripts of the Committee meeting.

The next Investment Committee meeting is scheduled for November 17, 2008 in Sacramento, California.

AGENDA ITEM 6 – BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE

Kurato Shimada, Chair, Benefits and Program Administration Committee, presented the Committee Summary report to the Board. The Committee met on Tuesday, October 21, 2008.

Additional information may be found in the October 21, 2008 Agenda materials and/or transcripts of the Committee meeting.

The next Benefits and Program Administration Committee is scheduled for November 17, 2008 in Sacramento, California.

AGENDA ITEM 7 – HEALTH BENEFITS COMMITTEE

Priya Mathur, Chair, Health Benefits Committee, presented the Committee Summary report to the Board. The Committee met on Tuesday, October 21, 2008.

Additional information may be found in the October 21, 2008 Agenda materials and/or transcripts of the Committee meeting.

On Motions by the Committee, the Board approved the following:

- Staff's recommendation to accept the June 30th, 2008 Long-Term Care Program valuation report as prepared by United Health Actuarial Services, Inc. and implement the recommendations outlined on Page 3 of the Agenda Item.
- Extension of the Long-Term Care Program contract for one twelve month period.

The next Health Benefits Committee meeting is scheduled for November 19, 2008 in Sacramento, California.

AGENDA ITEM 8 – FINANCE COMMITTEE

The Committee did not meet.

AGENDA ITEM 9 – PERFORMANCE AND COMPENSATION COMMITTEE

The Committee did not meet.

AGENDA ITEM 10 – BOARD MEETING CALENDAR

The following changes were made:

- November 17 BPAC will begin at 8:30, followed by Investments and Finance
- November 18 RCP workshop begins at 8:30 followed by media training at 1:00 p.m.
- November 19 Health Committee will begin at 8:30 followed by CIO subcommittee
- November 20 Board meeting followed by CEO subcommittee
- February 17 Investment Policy
- February 18 Finance

AGENDA ITEM 11 – INTERIM CHIEF EXECUTIVE OFFICER’S REPORT

Ken Marzion reported on the following:

IRS retirement regulations

Paid a special tribute to Wendy Notsinneh on her outstanding tenure here at CalPERS

AGENDA ITEM 12 – PENSION SYSTEM RESUMPTION (PSR) PROJECT UPDATE

Teri Bennett, Assistant Executive Officer, Information Technology Services Branch, gave a status report on the PSR project.

AGENDA ITEM 13 – BOARD’S STATE LEGISLATIVE PROGRAM/BOARD’S POSITION ON STATE LEGISLATION

Wendy Notsinneh, Chief, Governmental Affairs gave an update on various legislative bills.

AGENDA ITEM 14 – BOARD’S FEDERAL LEGISLATIVE PROGRAM/BOARD’S POSITION ON FEDERAL LEGISLATION

Tom Lussier, CalPERS Federal Legislative Liaison gave updates on the following items:

- Public Sector Roundtable annual conference
- Retiree Death Benefits/tax issue
- IRS Compliance Initiative Roundtable

In addition, three focus areas for 2009 were noted:

- Health Care reform
- Retirement security
- Redesign of U.S. Financial Market regulatory process

AGENDA ITEM 15 – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES

ON MOTION by Marjorie Berte, **SECONDED** and **CARRIED**, the Board adopted staff’s recommendation on items 15 A – L. Ms. Berte abstained on Item D. Peter Mixon recommended a full Board hearing on Item 15B.

AGENDA ITEM 16 – PETITION FOR RECONSIDERATION

ON MOTION by Tony Oliveira, **SECONDED** and **CARRIED**, the Board adopted staff’s recommendation on item 16A.

AGENDA ITEM 17 – PRECEDENTIAL DECISION

ON MOTION by George Diehr, **SECONDED** and **CARRIED**, the Board adopted staff’s recommendation for the Galt Services Authority decision as precedential.

AGENDA ITEM 19 – GENERAL COUNSEL’S REPORT

Peter Mixon mentioned that the Annual Litigation report will be presented at the November Board meeting.

AGENDA ITEM 20 – BOARD TRAVEL APPROVALS

ON MOTION by George Diehr **SECONDED** and **CARRIED**, the Board approved the travel requests.

AGENDA ITEM 21 – DRAFT AGENDA FOR THE NOVEMBER 19, 2008 MEETING

No comments

AGENDA ITEM 22 – NEW BUSINESS AGENDA SETTING

No comments

AGENDA ITEM 23 – PUBLIC COMMENTS

Winn Williams commented about possible reinstatement with his former employer.
Nadine Franklin commented on the wonderful tour that was given to her and 100 other retired members.

AGENDA ITEM 18 - CLOSED SESSION

There being nothing further to come before the Board of Administration, the meeting adjourned at 10:37 a.m.